

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7625**

**BILL NUMBER:** HB 1634

**NOTE PREPARED:** Jan 9, 2003

**BILL AMENDED:**

**SUBJECT:** Insurer Use of Credit Information.

**FIRST AUTHOR:** Rep. Porter

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill prohibits the use of credit information in underwriting, issuance, renewal, or cancellation of property and casualty insurance. The bill makes a violation an unfair and deceptive act and practice in the business of insurance.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** The bill makes a violation of the requirements for using credit information in underwriting property and casualty insurance policies an unfair and deceptive act and practice in the business of insurance. Violation of these requirements by an insurer may result in the levying of civil penalties. Civil penalties will be deposited in the state General Fund.

The civil penalties set forth for committing an unfair and deceptive act and practice in the business of insurance are \$25,000 for each act or violation, or \$50,000 for each act or violation if the person knew or reasonably should have known that he was in violation of this chapter. The remediation efforts undertaken by the person will be used in determining the amount of the civil penalty. In addition, if the person knew or reasonably should have known that he was in violation of this chapter, the Commissioner may suspend the person's license or certificate of authority.

The Department of Insurance may incur some administrative costs during the investigative process. The total fiscal impact of this bill is not known.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Insurance.

**Local Agencies Affected:**

**Information Sources:** IC 27-4-1-6.

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